



City of Asheville  
*Community & Economic Development*

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October 1, 2019

Mr. Mark Trogdon, Director  
Fiscal Research Division  
North Carolina General Assembly  
300 North Salisbury Street, Suite 619  
Raleigh, NC 27603-5925  
[Mark.Trogdon@ncleg.gov](mailto:Mark.Trogdon@ncleg.gov)

**Re: Report to the General Assembly on Local Government Funding, Subsidies, and Activities  
Related to Affordable Housing**

Dear Mr. Trogdon:

Enclosed in this email, please find the City of Asheville's Report to the General Assembly on Local Government Funding, Subsidies, and Activities Related to Affordable Housing. These ordinances are sent in compliance with Session Law 2019-144 (Senate Bill 316). If you have any questions about the City of Asheville's activities, please contact me at your convenience.

Sincerely,  
Paul E. D'Angelo  
Community Development Director

cc (by email): Maggie Burleson, City Clerk, City of Asheville  
Debra Campbell, City Manager, City of Asheville  
Cathy Ball, Assistant City Manager, City of Asheville  
Brad Branham, City Attorney, City of Asheville  
Sam Powers, Community & Economic Development Director, City of Asheville

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**City of Asheville**  
**Report to the General Assembly on Local Government Funding,  
Subsidies, and Activities Related to Affordable Housing**

Currently, there are nearly **600 affordable housing units** in use in the City of Asheville that are subsidized by local government revenue or that have local government oversight, with approximately **325 affordable units in the pipeline**. In responding to Senate Bill 316, the City of Asheville collected data on affordable housing units that the City has funded directly or is actively monitoring due to our support of the units, whether financial or otherwise. Additionally, the City of Asheville has approximately **1918 Low Income Housing Tax Credit (LIHTC) units** in the City limits. These data sets combined equal approximately **2518 affordable housing units**. The City of Asheville did not include in this report units funded, constructed, or managed by the Asheville Housing Authority because the City does not directly subsidize or have direct oversight over these units.

The City of Asheville's Community Development (CD) Department is the main department working on affordable housing, but with a focus on individuals and families making under 80% of Area Median Income (AMI), defined as "Low Income" by the Department of Housing & Urban Development (HUD). The City does however offer some incentives for individuals and families making under 100% of AMI. Currently, CD follows our 2014 Comprehensive Affordable Housing Strategy. However, this plan is due to be updated Spring, 2020, with a more concentrated approach of Producing, Preserving and Protecting Affordable Housing units in Partnership with developers, non-profits, and other governmental agencies. Some of our programs and policies that we have available at the City of Asheville for affordable housing that may or may not be discussed in this report -

- Disposition Policy of City-owned Land
- \$25M Affordable Housing Bond
  - High Impact Sites (\$15M)
  - Housing Trust Fund (\$5M)
  - Land Banking (\$3M)
  - Community Land Trust (\$1M)
  - Down Payment Assistance (\$1M)
- Land Use Incentive Grant
- Fee Grant
- Housing Trust Fund
- Expedited Review / Development Services
- Affordable Housing Street Sheet
- HUD CDBG & HOME Funding

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- For HUD
  - Housing Needs Assessment / Market Study / Demographic Study
  - Analysis of Impediments to Fair Housing
    - Anti-Displacement Strategy
    - Tenant Rights
    - Voucher Analysis
  - 5 Year Consolidated Plan - affordable housing / community development needs

**1. Rezoning for densities necessary to assure production of moderate income housing**

- In 2014, a 100% Density Bonus was added on commercial corridors for affordable units, under 80% AMI, see chart below.

### Update to Residential Density in Commercial Areas

*Ordinance No. 4374: Adopted December 9, 2014*

Zoning District	Residential Density Permitted	
	Units/acre without affordable units	Units/acre with at least 20% affordable units
Office (OFF)	20	40
Office II (OFF II)	20	40
Office Business (OB)	20	40
Community Business I (CB I)	20	40
Community Business II (CBII)	25	50
Institutional (INST)	30	60
River (RIV)	30	60
Highway Business (HB)	35	70
Regional Business (RB)	35	70
Neighborhood Corridor (NCD)	35	70
Urban Residential (URD)	35	70
Commercial Industrial (CI)	8	N.A.

- In 2016, the City of Asheville added flexibility in all residential districts, reducing minimum area and lot width in all districts by 20%, see chart below for new minimum dimensional standards.

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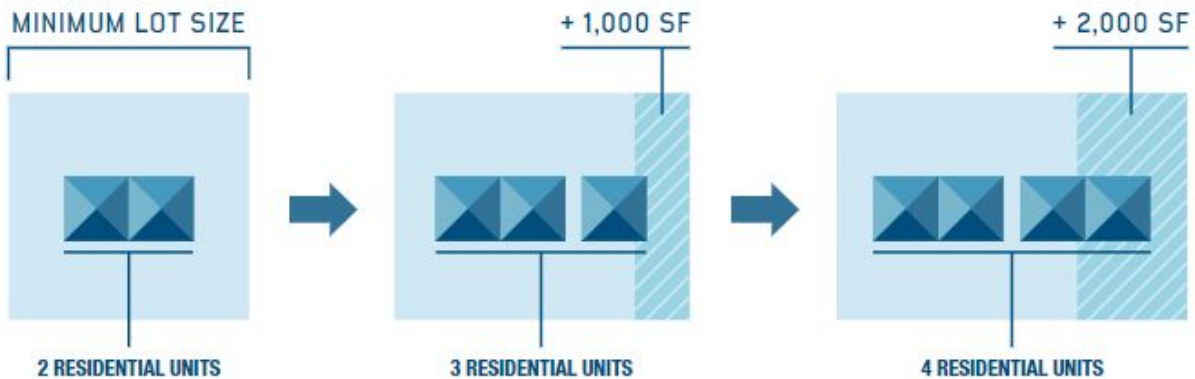
<b>1</b>	Lot Width	NEW MINIMUM STANDARDS	RS2	RS4	RS8	RM6	RM8	RM16
			80'	60'	40'	60'	40'	40'
<b>2</b>	Lot Area	NEW MINIMUM STANDARDS	RS2	RS4	RS8	RM6	RM8	RM16
			16,000 SF	8,000 SF	4,000 SF	6,000 SF	4,000 SF	2,500 SF

- In multifamily, every additional 1000 square feet of land area above the minimum standard allows an additional residential unit, see chart below.

ADDITIONAL UNITS ALLOWED FOR EVERY 1,000 SF ABOVE MINIMUM LOT SIZE.  
Other requirements, i.e., parking, must be met.

ZONING DISTRICT & LOT SIZE	RM6	6,000 SF*	7,000 SF	8,000 SF	ETC.
	RM8	4,000 SF*	5,000 SF	6,000 SF	ETC.
	RM16	2,500 SF*	3,500 SF	4,500 SF	ETC.
# OF UNITS ALLOWED		<b>2</b>	<b>3</b>	<b>4</b>	ETC.

\* MINIMUM LOT SIZE



## 2. **Facilitating the rehabilitation or expansion of infrastructure that will encourage the construction of moderate income housing**

- The City of Asheville does not actively facilitate infrastructure improvements to encourage construction of moderate income housing, as defined by Senate Bill 316. Through our Community Development Department, Community Development Block Grant (CDBG) funds are available that may support infrastructure improvements to

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encourage construction of low income housing and are considered in a yearly grant cycle on a project-by-project basis.

- In 2016, city residents passed a bond package that is improving infrastructure: sidewalks, parks, and for needed transportation. Details on those investments can be viewed on the city's interactive StoryMap [here](#).

**3. *Encouraging the rehabilitation of existing uninhabitable housing stock into moderate income housing***

- Units that are uninhabitable may be picked up by a local non-profit organization for rehabilitation, but the City of Asheville has no special program for encouraging this work. The City does have HUD CDBG & HOME dollars that could be used for this work and is available on a yearly grant cycle. The City is currently in discussion with Buncombe County on how to access dilapidated or foreclosed properties to be used for affordable housing, serving individuals and families under 80% AMI.

**4. *Considering general fund subsidies to waive construction-related fees that are otherwise generally imposed by the city***

- Asheville has a Fee Grant program that has been updated and goes to City Council on October 22, 2019. This program offers 50%, 75% and 100% off many construction related fees to a developer who is building affordable housing serving individuals and families under 80% AMI. The Fees are paid up front and granted back after verification of affordability. In addition, the Metropolitan Sewage District of Buncombe County (MSDBC) offers a discount for affordability for single-family and multi-family construction connections, again serving individuals and families under 80% AMI. The fee is just \$670, versus \$2836 for single-family and \$1900 for multi-family.

**5. *Creating or allowing for, and reducing regulations related to, accessory dwelling units in residential zones***

- In 2015, the City of Asheville allowed for a larger size ADU (800 - 1000 sq. ft.) and increased the number of parcels that can take advantage of the regulations. The chart below summarizes these new standards.

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	Detached ADU	Attached ADU
<b>Name</b>	Detached Accessory Dwelling Unit	Attached Accessory Dwelling Unit
<b>Parking</b>	one additional parking space required*	
<b>Max Size</b>	up to 70% of the primary dwelling	
	but not larger than 800 SF	but not larger than 1000 SF
<b>Min Size</b>	N.A.	
<b>Max Height</b>	25 feet (top of ceiling)	residential district standard - 40'
<b>Max Footprint</b>	800 SF	1000 SF
<b>Lot Type</b>	conforming or non-conforming	
<b>Setbacks</b>	min 6' setbacks	per residential district standard

## 6. *Allowing for housing in commercial and mixed-use zones*

- As mentioned in Question #1 above, The City of Asheville UDO incentivizes affordable housing in commercial and mixed-use zoning districts. The following chart highlights the commercial or mixed-use zoning districts that allow housing by right. (See this link to access [Municode Asheville](#).)

Zones	NB	OFF I	OFF II	OB	CBI	CBII	NCD	HB	RB	CI	CBD	LI	IND	RSRT	INST	RIV	URD	UV	UP
<b>Residential Uses</b>		P	P	P	P	P				P									
Accessory dwelling unit		P	P	P	P	P				P									
Accessory dwelling commercial caretaker								P	P	P	P	P	P		P	P			
Dwellings, Duplex		P	P	P	P	P	P	P	P	P	P			P	P	P	P	P	P
Dwelling, Townhouse		S	S	S	S	S	S	S	S	S	S			S	S	S	S	P	S
Dwellings, Multi-family	S	P	P	P	P	P	P	P	P	P	P			P	P	P	P	P	P
Dwelling, Single family detached		P	P	P	P	P		P	P					P	P		S	P	S

### a. Commercial and office districts (maximum units per acre):

- See chart in the answer to Question #1.

### b. Mixed Use districts (maximum units per acre):

- See chart in the answer to Question #1.

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**7. Encouraging higher density or moderate income residential near major transit investment corridors**

- In 2014, a Density Bonus was added on commercial corridors for affordable units, under 80% AM (see chart within Question #1).
- Urban Centers - In progress. Commercial developments over 5000 sq. ft. will be required to provide housing (1000 sq. ft. commercial area per market rate unit). Additional density bonuses for affordability (2000 sq. ft. commercial area per affordable unit). Base proposed heights for buildings in Urban Centers is five stories, while providing a height incentive of two additional stories for affordable units up to seven stories. To learn more, see the project website for Urban Centers:  
[www.ashevillenc.gov/urbancenters](http://www.ashevillenc.gov/urbancenters).

**8. Eliminating or reducing parking requirements for residential development where a resident is less likely to rely on the resident's own vehicle**

- Central Business District - Asheville does not require off-street parking for all uses within the Central Business District (CBD) and maintains an off-street parking exemption for residential development within one mile of the CBD.
- Urban Centers - As part of this ongoing initiative, the City is proposing to reduce the off-street parking requirements by 50% for those urban center projects located within a quarter mile of a transit stop that is on the frequent service corridors map.
- Citywide - As part of the implementation of the Comprehensive Plan, *Living Asheville*, the City is likely to begin a process to review off-street parking standards more broadly.

**9. Allowing for single-room occupancy developments**

- In its UDO, the City of Asheville permits SROs by right in two zoning districts and allows them subject to special requirements in 10 other zoning districts, as shown in the chart below.

Commercial/Business Uses	CBI	CBII	NCD	HB	RB	CBD	INST	RIV	UV	UP	RES EXP	LODG EXP
Boardinghouses	S	S	S	S	S	S	S	S	S	S	P	P

**10. Preserving existing moderate income housing**

- The City of Asheville works to Produce, Preserve and Protect Affordable Housing in Partnership throughout the City with a focus on individuals and families making under

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80% AMI. The City mainly uses CDBG funding to preserve existing affordable housing by allowing partners to access funds for rehabilitation of existing homes.

- The City is also supporting the creation of a Community Land Trust who will work in preserving homeownership for affordability with a focus under 80% AMI.
- The City continues to support LIHTC developments, either through HOME funding and/or Housing Trust Funds, that are income restricted mostly to individuals and families under 60% AMI.

***11. Considering utilization of State or federal funds or tax incentives to promote the construction of moderate income housing***

- The City of Asheville has a Land Use Incentive Grant offered to developers who agree to build affordable units in their projects, assisting individuals and families making under 80% AMI. Based on a matrix of affordability, community amenities and location, every 10 points (if passed by council on October 22, 2019, every 5 points) will equal one year of City Property Tax Abatement (i.e. grant) back to the developer. The taxes are paid upfront and then rebated back upon verification of affordability.

***12. Considering utilization of programs offered by the Housing Finance Agency within that agency's funding capacity***

- The City of Asheville does not directly utilize these programs but works with developers accessing the Low Income Housing Tax Credits and in partnership to provide the gap financing needed to complete the deal, usually through HUD HOME funding or our local Housing Trust Fund. In addition, the City does point realtors and potential homebuyers to NCHFA's website which lists local lenders with expertise in affordable housing loan programs.